



National Environmental Performance Track

What Is the National Environmental Performance Track?

The National Environmental Performance Track is EPA's new program to recognize and encourage top environmental performers. Company facilities that qualify for the program are those that excel in protecting the environment.

The new program rewards companies that go beyond compliance with minimum regulatory requirements. The program is open to companies and facilities of all types and sizes, public or private, manufacturing or service-oriented.

EPA Presents Charter Members to Enthusiastic Crowd

More than 300 leaders of U.S. industry gathered in Washington, DC, on December 13, 2000, to make history. A standing-room-only audience helped the U.S. Environmental Protection Agency honor the charter members of a new program, the agency's landmark National Environmental Performance Track.

"This program signals a new day for EPA working in partnership with business and the regulated community," said **Richard T. Farrell**, former associate administrator for EPA's Office of Policy, Economics and Innovation.

Charter members range from small local businesses to large multinational corporations. The 228 facilities that qualified to be charter members include service providers, manufacturers of airplanes, chemicals, computers, cosmetics, electronics, plastics, sporting goods, and almost everything in between.

A New Approach

Performance Track, which was launched in June 2000, is a new way of protecting our nation's environment. Rather than a one-size-fits-all regulatory approach, the Performance Track is designed to work from the corporate boardroom right down to the shop floor.



A standing-room-only audience listened as the charter members were welcomed as the environmental champions of the 21st century.

What Are the Performance Track's Benefits?

Incentives for participating include national recognition, increased credibility from association with EPA, use of the Performance Track logo, and spotlighting in feature articles and promotional materials.

Participants qualify for reduced record-keeping, low priority for routine inspections, and good faith credit that can reduce enforcement penalties.

They participate in invitation-only conferences and information sessions with senior EPA officials to share performance practices. In sum, they benefit from a more collaborative relationship with EPA.

The agency will make additional benefits available soon, such as reduced reporting under the Clean Water Act, greater flexibility under the Clean Air Act, and expedited review of new pesticides.

An Interactive Agenda

After plenary talks by representatives of two exemplary charter members, IBM and Johnson & Johnson, the charter event audience heard about the states' role in the Performance Track and then participated in a free-ranging question-and-answer session.

Afternoon concurrent sessions focused on designing the program's second higher level, the Stewardship Track, and in-depth discussions of the future and operations of the whole Performance Track program.

During the event, representatives of the charter members received handsome, framed certificates and were photographed with former Associate Administrator Richard Farrell and Deputy Associate Administrator Jay Benforado.

The charter members of the National Environmental Performance Track, said EPA's former Deputy Administrator **W. Michael McCabe**, "have moved to the forefront of our nation's efforts to protect the health of every American, every community, and every ecosystem."

The charter members are innovators who apply their in-house technical expertise to find ways to improve manufacturing efficiency and reduce pollution.

Johnson & Johnson Protects Human Health By Protecting the Environment

One of the outstanding charter members, Johnson & Johnson, succeeded in qualifying all 51 of its facilities in the United States and Puerto Rico for membership in the Performance Track.



Johnson & Johnson Vice President Karl F. Schmidt noted that any environmental threat to human health cuts to the very essence of what J & J stands for.

"Johnson & Johnson feels a special responsibility to protect the environment," said J & J Vice President **Karl F. Schmidt**, "because environmental degradation can pose immediate threats to human health."

The internationally known manufacturer of health care products has demonstrated the truth of its credo that "going beyond compliance creates a competitive advantage in the marketplace," Schmidt told the audience.

Since 1991, Johnson & Johnson has reduced its energy use by 21 percent, its generation of hazardous wastes by 19 percent, solid waste sent to landfills by 68 percent, and packaging by 25 percent. In 1999 alone, the company saved \$87 million in avoided costs from these reductions. The reduction in packaging—by itself—has saved more than \$800 million since 1991.

Schmidt concluded by sharing his view of the keys to success: "Establish a good environmental record and tell the truth about your company's performance."

IBM's Exceptional Record of Environmental Leadership

"Environmental leadership means trying to do more—and achieving more," said IBM Director of Environmental Affairs **Wayne Balta**.

All of IBM's seven U.S. manufacturing facilities qualified as Performance Track charter members. Altogether, the seven locations represent about 70,000 employees.

"Our decision to join the Performance Track was a natural," Balta told the audience. "We have a decades-long positive experience with EPA's voluntary environmental programs."

IBM began embracing EPA's voluntary programs in 1991, played a substantial role in helping EPA define the ENERGY STAR® computers program, and was twice named the program's Partner of the Year. As a partner in the ENERGY STAR buildings program, IBM reduced its energy use in 7.5 million square feet of office space. The company began voluntary reporting of its greenhouse gas



Wayne Balta called the audience's attention to IBM's unusual distinction of having obtained a single ISO 14001 certification for all its facilities worldwide.

emissions in 1995 and was the world's first semiconductor manufacturer to announce steps to reduce perfluorocompound emissions.

Balta concluded by saying, "Participation in voluntary programs like this encourages, motivates, and recognizes employees at our company who do well. The Performance Track demonstrates clearly the value of having the regulated and regulator working together hand-in-hand on commonsense solutions."

States Take Leading Role

Key to the success of the Performance Track is working in close collaboration with the states. Altogether, 14 states have programs that are similar to the Performance Track.

The similarity is important, said **George Meyer**, then-secretary of the Wisconsin Department of Natural Resources, because it lowers transaction costs for companies that participate in both state and federal programs.

"The challenges and increasing complexity of environmental issues," said Meyer, "require new and innovative policies. The National Environmental Performance Track is the future."



The speakers fielded questions from the audience.

Audience Raises Thoughtful Queries

A panel discussion provided an opportunity for the audience to ask questions about inspections, state programs, and other aspects of Performance Track.

Voluntary programs have a strong record of success," said EPA's **Richard Farrell**. Performance Track facilities will be a lower priority for routine inspections. "If you tell EPA about a compliance problem when you discover it and commit to fix it promptly, we will work with you to provide penalty mitigation under our Audit Policy. At the very least, we will consider your participation in Performance Track as a show of good faith when weighing penalties."

Farrell responded to a question by noting that the Performance Track needs to be consistent with state programs, and state efforts vary from mature programs to efforts that are still under development.

Wisconsin's **George Meyer** stressed that "environmental groups are on board but only if there is a high degree of transparency."

Sylvia Lowrance, principal deputy assistant administrator for Enforcement and Compliance Assurance, explained that Performance Track members are a "low priority for routine inspections." Lowrance responded to a question about regulatory flexibility by noting that future regulatory decisions will need to accommodate the program. She suggested that sector-specific approaches may be useful to explore.

EPA Regional Administrator **Charles Findley** explained that the agency screens all applications, checks references, works closely with the states to share data, and conducts training courses on Environmental Management Systems for federal employees. He agreed with Lowrance about inspections: "You're not on our radar screen unless something really unusual happens."

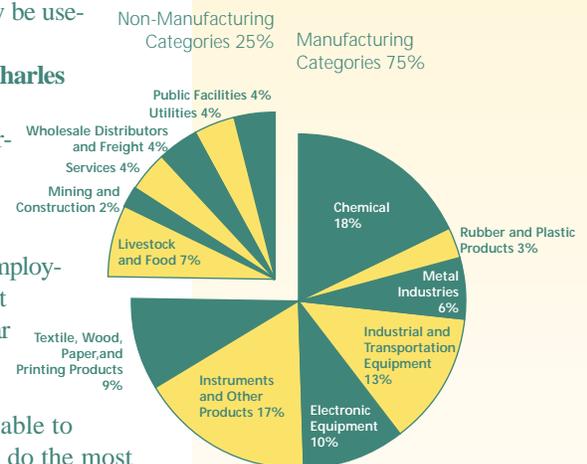
The cost savings from being able to focus inspections where they will do the most good, he said in response to a question, "is one of the real benefits to EPA."

Who Are Performance Track Members?

The successful applicants for charter membership include 228 company facilities located in 39 states coast to coast. Almost one-third are companies with more than 1,000 workers, and 17 percent have fewer than 99 employees.

To join the National Environmental Performance Track, a company needs to have a proven record of regulatory compliance, an Environmental Management System, and a public commitment to continuing improvement. Once accepted, participants remain in the program for three years as long as they continue to meet the requirements. They may then reapply.

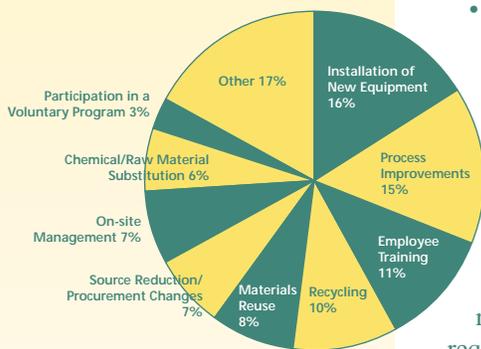
Who Are the Charter Members?



What Are Performance Track Members Doing?

Preliminary analysis shows most charter members have committed to improve their energy use by 22 percent and reduce air emissions by more than 50 percent. Most members are projecting a reduction of 44 percent in waste generation and 31 percent in water use. To accomplish these reductions, they will install new equipment, improve manufacturing processes, train employees, and reuse materials.

How Will Charter Members Achieve Environmental Improvements?



The views, opinions, and ideas expressed by participants at the individual Charter Event sessions do not necessarily reflect the views of EPA, and EPA does not endorse or accept any responsibility for the comments contained in the summaries.

Best Practices and Peer-to-Peer Network

Afternoon discussions focused on fine-tuning the Performance Track through information exchange among members, improvement of the program's operations, regulatory incentives, consolidated reporting, and public recognition for members. Additional afternoon sessions focused on the Stewardship Track. The remainder of this report describes the findings of those afternoon sessions.

One afternoon discussion focused on facilitating information exchange among Performance Track participants. Representatives from participating companies discussed EPA's proposed Performance Practices Database and Peer Exchange Network.

Performance Practices Database

A Web-based Performance Practices Database could be populated with information on noteworthy practices and case studies in five areas of interest:

- Cost-benefit analyses;
- Compliance problems and solutions, including input from state agencies;
- Pitfalls encountered by companies;
- Components of an Environmental Management System (EMS); and
 - Examples of how individual companies developed an EMS.

Selecting and Organizing Information

Participants suggested that case studies could be solicited by posting a template on the Web site for use by respondents. A review panel would employ predetermined requirements, such as whether the practice addresses a significant environmental issue, achieves a high rate of return, or demonstrates community outreach.

Members suggested organizing information by sector and subject area, with links to member facilities.

Other Components

Additional database components explored include links on emerging regulations and new product substitutions to aid in pollution

prevention. Several participants indicated that an updated listing of all Performance Track members would be useful.

Participants believed that access to the Performance Practices Database should be open and available to the public for educational purposes and to encourage other companies to join the program.

Peer Exchange Network

The second part of the discussion centered on developing other networks for exchanging information. Participants indicated that an electronic newsletter would be beneficial.

Although national meetings are useful for an industry-wide focus, attendance is expensive and time-consuming. Regional meetings are more affordable and accessible, and offer an opportunity to interact with state staff to enhance cooperation. "Association conferences also are a good forum," one participant added.

Additional Methods to Facilitate Information Transfer

A state participant suggested the establishment of a work group of state, federal, and industry members to develop solutions in cases where a particular regulation is troublesome or a technology under development is not cost-effective. A forum for states to work together with EPA also was discussed.

"Mentoring could be incorporated into the Peer Exchange Network," an industry participant suggested. The network should include a component for small businesses, which may encounter more barriers than larger companies do.

An on-line bulletin board or electronic listserv would encourage questions, problem solving, and issues to be vetted among Performance Track participants. A bulletin board, some said, would eliminate additional email volume, but a listserv has the benefit of being able to highlight the most recently posted questions.

Several participants stressed that they do not view the Web site and Peer Exchange Network resources as mutually exclusive. The two are to be used in tandem. For example, the Web site could be used to post papers from conferences and as virtual forums based on Peer Exchange Network events.

Lessons Learned and Program Operations

In another concurrent session, company participants provided feedback on the program to date and suggestions on future operations. Specifically, the discussion focused on how to get the word out to potential Performance Track companies, the application process, and various elements of program operations such as requirements and performance areas.

Many participants learned about the program only by chance. They suggested contacting consulting firms that have a large customer base to obtain company names. Other suggestions were to announce the program, its milestones, and activities on states' Web sites and at trade association meetings.

The group agreed that the application was straightforward and that EPA was helpful throughout the process. One-on-one conversations, Web site guidance, and Region 1's half-day workshop proved especially helpful.

Program Requirements

Some participants expressed concerns about what would happen if their companies were unable to meet their performance commitments and about any prospective modification of performance expectations by EPA.

"The intention is not to treat proposed performance commitments as requirements that must be achieved by a certain date," replied an EPA representative, "in order to remain in the program." Initially, EPA will look for good faith efforts.



Participants took part in a number of concurrent sessions.

Performance Areas

Conflicting opinions emerged with regard to any standardization of the performance information required from participants. For ease of comparison, EPA intends to specify a reporting format to be used by all companies so that the agency eventually can aggregate the information.

Some participants disagreed because of the difficulty of modifying methods that have been used for years. Also, the baselines and the numbers in historic records could differ drastically from year to year.

Site Visit

Another element of operations will be site visits lasting approximately one day, depending on the size of the facility.¹ The visit will include checks on the EMS operations, facility efforts to comply with the program, public outreach, employee interviews, and a review of documentation.

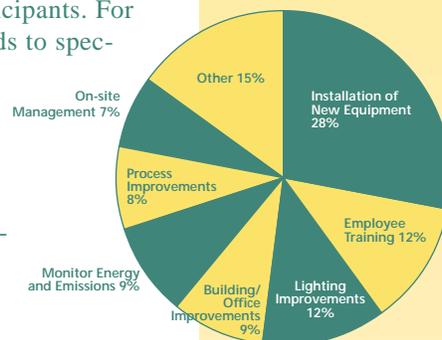
One participant suggested that EPA provide a checklist and agenda so that a company can prepare for the visit. A subsequent summary would be useful in assisting with continuous improvement of the company's EMS. One participant suggested, "The feedback system could consist of three categories—observations, important notices, and holds."

Draft Annual Reporting Form

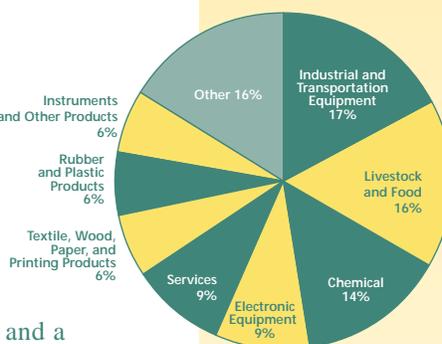
EPA presented an overview of a draft Annual Reporting Form. Participants stated that, upon initial review, the form seemed straightforward and not overly burdensome. EPA will email a draft to all participants for feedback.

The group also emphasized the value of having all levels of government actively involved in the program so that a company's activities become well known at the national, regional, and local levels. EPA and states' Web sites, biannual regional meetings, and a regional listserv can act as devices for program updates and as a forum for participants to voice comments or concerns.

Energy Conservation



How
percentage of total number of future commitments



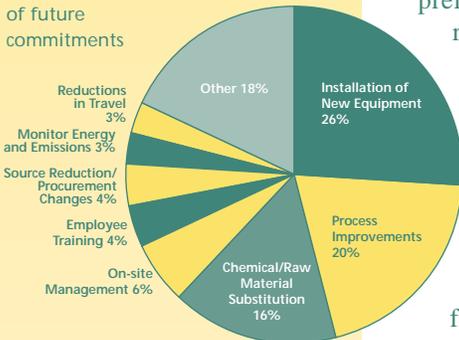
Who

39% of Facilities
Address Energy
Conservation

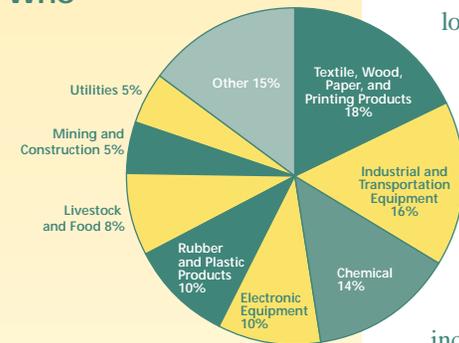
¹ Approximately 20 percent of program participants will be visited each year.

Air Emissions Reduction

How
percentage of total number of future commitments



Who



39% of Facilities Address Air Emissions

Regulatory Incentives

The company representatives who participated in the regulatory session discussed appropriate incentives such as preferential treatment, financial benefits, regulatory flexibility, greater access to EPA, and recognition.

The idea of preferential treatment during the permitting process was especially popular among participants who operate smaller facilities since larger facilities usually enter the permitting queue first. This system inadvertently imposes greater costs on small facilities, detracting from their ability to plan for capital investments while awaiting a permit.

Several participants suggested the use of a long-term permit that would allow companies to pursue creative means of regulatory compliance. The current system of frequent permit renewals stifles creativity and drains resources, thereby preventing or discouraging experimentation. A related idea involved the issuance of a facility-wide permit to allow companies to experiment within their facilities.

Preferential treatment also could include granting federal procurement preference or use of an official seal on company products that could lead to consumer preference. Some participants did not favor the labeling or endorsement idea due to problems encountered by the European system.

The group agreed unanimously that EPA should not serve as liaison between non-governmental organizations (NGOs) and Performance Track companies since the program's integrity could be jeopardized if EPA appeared to be a communication tool for industry. EPA should serve as an "honest broker" between various viewpoints on environmental issues and take a leadership role in setting parameters for dialogue.

Financial Incentives

According to a number of participants, to attract new entrants into the program, the Performance Track has to demonstrate a positive "bottom-line" effect. Ideas for financial incentives ranged from tax credits to exemptions for pollution controls (including improved management systems), a reduction in permit fees, and a state reimbursement program. Participants favored streamlining the reporting requirements to allow on-site collection and storage of data and aggregate reporting by facility or product type.

Regulatory Flexibility

Participants responded favorably to regulatory flexibility as an incentive, noting that it is the ultimate financial incentive. Companies that can prove their processes reduce or eliminate pollution should be exempt from prescriptive best-available-technology regulations. Since one size does not fit all, EPA should offer tailored regulatory flexibility according to a company's size and needs.

Greater Access and Recognition

Although access to EPA did not seem problematic for most participants, several regarded greater access as a nice perk. Access would be especially beneficial if it resulted in more timely issuing of permits and a specific point of contact within each EPA office, including regional offices, who could assist in problem solving and facilitate timely decisions as needed.

Agreement was overwhelming that recognition in the local community and by consumers is an important incentive. Suggestions included EPA recognition of companies through special public relations events, brochures, press releases, and events with local mayors. Participants also suggested that the Performance Track program should develop a "brand" identity to clearly define the program and present it to the public through television and other media.

Consolidated Reporting

Two participants from the New Jersey Department of Environmental Protection and four industry representatives discussed the feasibility of developing a consolidated reporting system. Topics for discussion included associated costs, uniformity of formats, and key obstacles.

“There may be costs associated with converting from the present reporting system to a consolidated reporting system,” said one industry representative. “Previous changes in reporting requirements did not save time. In fact, they led to an increase in both time and costs.”

Representatives from New Jersey, however, indicated that their state has not received any negative feedback regarding additional costs associated with conversion to a new reporting system.

Uniformity of Formats

Participants responded favorably to the idea of developing a uniform format for all environmental reports. Most agreed that consistency in reporting requirements across states would be beneficial and convenient, since many companies currently are required to complete different forms in different states in order to comply with a single regulation.

A single reporting form would ease compliance requirements and make data comparable across state lines. Vermont has implemented a quarterly reporting process that allows facilities to submit a uniform report in electronic format from each facility. New Jersey is developing a multimedia system that will allow for less frequent reporting.

Key Obstacles and Additional Concerns

Most states currently have different sets of criteria for reporting environmental information that is eventually sent to EPA. Participants suggested that EPA coordinate regionally to obtain quality data, streamline

requirements to reduce the reporting burden, and pilot a program to allow facilities to maintain data at the individual facility.

Some industry representatives questioned the need for information and data collection. They maintained that reducing the reporting burden would allow companies to focus more resources on actions to ensure the success of the Performance Track program. In the past, New Jersey attempted to stop collecting environmental data but was unsuccessful due to federal requirements. In response to a suggestion to determine the data that are critical, EPA stated that analyses to determine essential information have been performed through both the Common Sense Initiative and Project XL.

Another concern was the limited access of communities to previously reported environmental information. The Performance Track requires a community relations component for participants, enabling communities to have access to reported information.

The group concluded that the practice of extracting operational data for regulatory purposes is difficult. “This is especially

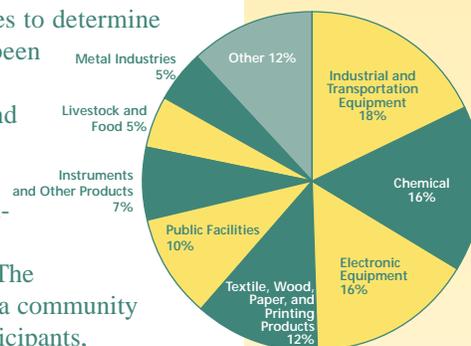
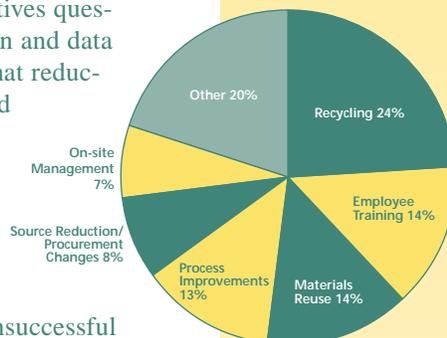


The meeting provided an opportunity for sharing successes.

true,” according to one industry representative, “since most Environmental Management Systems are not integrated with reporting systems.”

Waste Reduction

How percentage of total number of future commitments



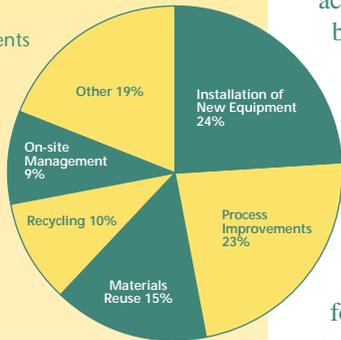
Who

52% of Facilities Address Waste Reduction

Water Conservation

How

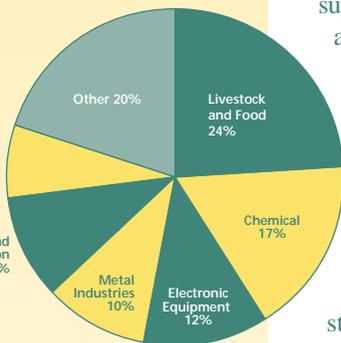
percentage of total number of future commitments



Who

Textile, Wood, Paper, and Printing Products 7%

Industrial and Transportation Equipment 10%



25% of Facilities Address Water Conservation

Recognition

In this session, 14 company representatives discussed how EPA can increase public awareness of the program's purpose and the accomplishments of Performance Track member facilities. Topics included defining the audience, developing promotional strategies, overcoming negative perceptions and barriers to good environmental press, and defining future expectations of EPA.

Defining the Audience

The audience will depend on the individual company's products or services, and therefore will be broad and diverse. The targeted audience will determine the methods and forms of communication. The session's participants suggested that member facilities maintain an active Web site, host open houses, and publish both in-house and external newsletters.

EPA's role should be twofold: to provide companies with the necessary tools to disseminate information to employees and shareholders, and to inform the public about the program's purpose.

Officials at state environmental agencies are a critical audience. Ordinarily, states respond more readily to federal programs that include funding. With this in mind, the session's participants suggested that EPA link environmental programs and state grant money, enlisting states to perform outreach activities for the Performance Track.

Promotional Strategies

Agreement was widespread among the participants that EPA should arrange ceremonies at individual facilities to help promote the Performance Track. EPA also should assist industry and organizations with press releases to highlight successes. Participants suggested that EPA institute a mentoring program to reward both the mentor and the new Performance Track member.

Some participants suggested that the Performance Track should follow the strategy used by the Occupational Safety and Health

Administration's (OSHA) Voluntary Protections Program of promoting name-brand recognition for participants.

Other session participants pointed out distinct differences in how industry understands and addresses health and safety issues as opposed to environmental issues. Those differences could make environmental programs and OSHA's program less complementary.

Participants also expressed the need for employee "ownership" in order for the recognition component of the Performance Track to be successful. Employees should be involved in all stages of program planning, implementation, evaluation, and promotional efforts. Employee involvement during the promotional stage often leads to community involvement.

Overcoming Negative Perceptions and Barriers

Participants cited several barriers to positive environmental press coverage: The media is mostly interested in reporting controversial issues instead of positive events, the public is apathetic about environmental issues, and environmental and trade groups may have different agendas.

To overcome the barriers, participants expressed the view that NGOs, especially major environmental groups and centralist organizations, need to endorse the program. At the same time, EPA should serve as a validator for companies that discover innovative solutions for improving the quality of life without causing adverse environmental impacts.

Future Expectations of EPA

The following suggestions emerged for EPA activities to promote the Performance Track:

- Use community-based newspapers;
- Consult marketing and advertising experts;
- Ensure state and national recognition; and
- Publicize company and organizational outreach programs.

Finally, participants expressed a need for development of a common measure for environmental benefits.

Stewardship Track

Participants in other afternoon sessions framed ideas for the Stewardship Track, the program’s higher level that is currently under development. The seven sessions, each with 10-30 participants, discussed four key elements of the Stewardship Track: environmental goals, incentives, program operations, and the roles of EPA and key stakeholders. In addition, participants in several sessions discussed a definition for “steward” or “stewardship.”

Responses from the sessions were similar. Participants discussed the importance of regulatory flexibility and efficiency in the permitting process. They also explored special status for Stewardship Track companies, mentoring as a means of bringing new companies into the Stewardship Track, a neutral role for EPA among multiple stakeholders, and the meaning of stewardship as something special and unique that would distinguish the Stewardship Track as a higher level within the Performance Track program.



Participants shared ideas on ways to work in partnership with EPA.

Participants in several sessions maintained that if EPA could sell the Stewardship Track on its business and financial merits alone, other incentives to entice new companies to join would be unnecessary. Business and financial benefits include making it possi-

ble to bring products to market more quickly and reducing the costs of complying with reporting requirements.

Defining Stewardship

To be a steward, a company has to address local issues and consider its own corporate behavior, including environmentally focused actions. Facilities and companies should provide services to communities, become involved in community organizations, and educate the community about their facility’s environmental impacts.

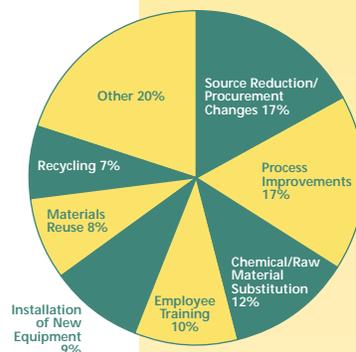
“It is difficult to measure stewardship only in terms of numbers,” one participant said. “Stewardship should focus not on perfection, but on the company going the extra mile to reduce its environmental impacts.” Another participant cautioned, “Stewardship is not for everyone.”

Regarding eligibility for the Stewardship Track, participants suggested that the program should be

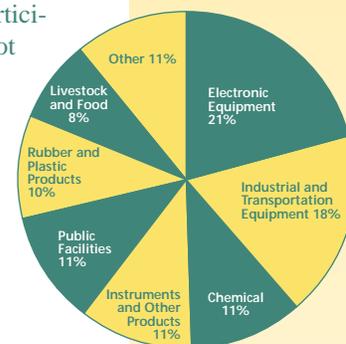
open to each state’s top environmental performing company. Another possibility is that it should be open to the top 5 percent of environmental performing companies in the nation. Some participants felt that any company that meets the criteria of the Dow Jones sustainability index should be eligible, but others disagreed with this suggestion.

Another idea was that the Stewardship Track should be open to every company that can achieve a set of predefined requirements. The final suggestion was that the requirements of the Stewardship Track should be dynamic and rise over time. As with a Total Quality Management model, whatever the criteria are one year, they should be raised by half again, or doubled, the following year.

Materials Use Reduction



How
percentage of total number of future commitments

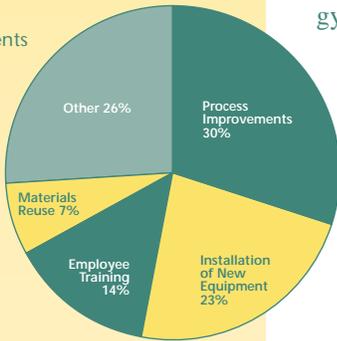


Who

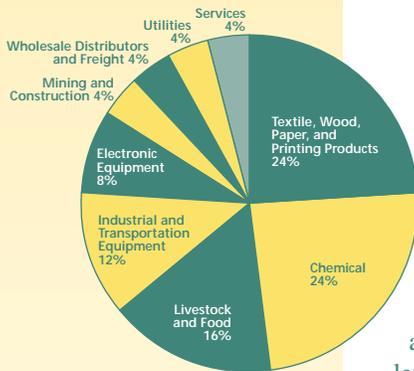
39% of Facilities Address Waste Reduction

Reduction in Discharges to Water

How
percentage of total number of future commitments



Who



18% of Facilities Address Water Conservation

Environmental Goals

Two sessions recommended that the Stewardship goals should reach beyond those of the Performance Track, beyond standard EPA regulatory requirements, beyond the best available technology, or beyond the “fence-line” of individual facilities into communities in order to improve the environment at large.

Participants suggested four approaches that EPA could use to determine goals:

- Set specific goals and let companies decide how to attain them;
- Set flexible goals on a facility-by-facility basis and allow companies to pursue areas where they can make the most improvement;
- Allow companies to select among a suite of specific environmental activities that would allow them to broaden the focus of their environmental improvements; or
- Incorporate a rating system based on a variety of activities, not just regulatory compliance.

Other ideas included setting significant, measurable, attainable, and easily understood environmental performance goals and using a multimedia approach to address a broad array of environmental problems on a geographic or ecosystem level.

Continuous Improvement

A few participants suggested that EPA embrace an overall theme of continuous improvement in environmental performance and provide the capacity to address new issues and adapt to future concerns through regulatory flexibility. Increased flexibility would enable companies to try new technologies and processes, rather than being constrained by current regulatory requirements.

Trust

Three sessions focused on trust. To achieve environmental goals and for the Stewardship Track to be a success, EPA and the public must have a high degree of trust that Stewardship Track companies will work toward superior environmental performance. To build greater trust, EPA should encourage

the public, environmental organizations, and the business sector to work together.

Product Life Cycle

Participants in several sessions mentioned the need for the program’s environmental goals to focus on the whole product life cycle. In addition, a sustainability approach should combine



The event’s participants were recognized for their exemplary environmental performance.

pollution prevention with planning and financial goals, and enable companies to take credit for the pollution they are *not* emitting.

Beyond Compliance

Several participants suggested that the Stewardship Track focus on activities outside the regulatory arena to measure achievement and encourage participation by a more diverse range of businesses.

In a similar vein, the program’s environmental goals should include compliance qualities not easily or traditionally measured. Examples are developing public outreach materials or working to improve environmental health and safety, demonstrating long-term rather than short-term environmental results, fostering and encouraging innovative ideas within companies, and measuring qualitative (as opposed to strictly quantitative) environmental results.

A related idea is that Stewardship Track goals should expand on existing community involvement activities, such as education in schools and universities, to increase community awareness of environmental initiatives. In this way, Stewardship can include many activities that do not directly affect the bottom line.

Incentives

All sessions agreed that EPA should give Stewardship Track companies preferential treatment to provide a competitive edge. For example, member companies could receive a market advantage through greater access to federal markets from preferred supplier status and similar mechanisms. Several sessions maintained that cost-savings from reducing, streamlining, or simplifying permitting requirements would be a strong incentive.

The following related ideas would help define the Stewardship Track:

- Establish separate permitting guidelines for Stewardship Track member companies as in the “C-3” program in Michigan;
- Reduce license and permitting fees to the extent possible;
- Institute a means by which Stewardship Track companies could benefit from lower insurance costs;
- Expedite evaluation and approval of currently required permits or initiate some type of multimedia or “facility-wide” permit for Stewardship Track companies; and
- Allow participating companies to write their own permits.

Regulatory Flexibility

“EPA could allow Stewardship Track members to report only when their companies exceed established emissions limits,” one industry participant suggested. “Otherwise their information would be just kept on file and available to EPA for review.” Others proposed one-time annual or paperless reporting. The sessions came to no consensus on whether new regulations should be adopted expressly for Stewardship Track participants.

Participants suggested that members could have the flexibility to make rapid production changes with minimal requirements once they reach a certain level of trust with EPA. The agency also could extend timelines for environmental compliance, effectively establishing a trade-off between regimented technical standards and investment in recognized environmental needs.

Other Benefits

In all sessions, participants suggested that EPA provide some type of tax credit for membership. Participants were reminded that the agency does not have authority over changes

in federal tax codes, but discussion could be encouraged among those who are responsible.

Several participants recommended that EPA develop a rating system with a high degree of public visibility such as the agency’s mileage rating for automobiles.

EPA could establish a single point-of-contact, or liaison, to communicate with Stewardship Track companies regarding their questions or concerns. Through a “communications heads-up” such as email or a member-accessed Web site, Stewardship Track companies could be given advance information about issues that could affect their industry.

Program Operations

Several people suggested establishing stronger relations between government agencies, at the federal and state levels, to improve coordination of environmental programs. Single points of contact in EPA and state agencies would be helpful.

Application and Acceptance

A number of participants commented that Stewardship application and acceptance should be different from the Performance Track. Applicants to the higher level should demonstrate two to three years of commitment to environmental performance and their goals should be long-term—up to 10 years. Participation in the Performance Track should not be considered a prerequisite for membership in the Stewardship Track.

Other commentators proposed multiple avenues for entering the program. Vendors that meet certain environmental criteria might be allowed to become members. The longevity record of companies that already meet Performance Track criteria could be considered. Companies that have state or federal recognition from another program could join. Companies could self-select through some sort of self-declaration. Third-party confirmation that a company meets Stewardship Track qualifications is another possibility.

Accountability

To ensure accountability, EPA should define how the Stewardship Track will measure and evaluate success. Once success is defined, companies should be accountable for taking a leadership role and demonstrating exceptional environmental performance.



For more information on the program, visit the Web site at www.epa.gov/performance-track/, or contact the Performance Track Information Center at ptrack@indecon.com or 888-339-7875.

Roles

All of the sessions discussed potential roles for various players in the Stewardship Track, including EPA, company participants, community stakeholders, NGOs, and local and state government agencies.

EPA as Honest Broker

Many discussions touched on the idea that EPA is ideally positioned to facilitate dialogue between Stewardship Track companies and other groups. Participants in several sessions noted that unless NGOs buy into the program, the Stewardship Track might be perceived as a form of environmental backsliding.

EPA as Leader

Participants in several sessions noted that EPA should play a leadership role. EPA could work with companies to determine their most pressing environmental issues as well as coordinate with facilities to create opportunities for mentoring and knowledge sharing within a particular industry.

In one session, participants came to a general consensus that EPA needs to work proactively to ensure that states, communities, and environmental groups take part in the program. "A wider range of entities could be considered," one participant suggested, "and partnerships between NGOs, environmental groups, facilities, and companies could be included."

EPA as Communicator

Many participants identified communicator as a key role for EPA. "Plain black-and-white information flyers and notices in the *Federal Register* would not suffice," said one participant, "to adequately communicate to the public the importance of the Stewardship Track."

Participants in several sessions focused on the idea of "branding" as a way to sell the program to the public. Name recognition would benefit member companies by providing positive reinforcement within their communities. The "brand" would be synonymous with superior environmental performance.

EPA as Regulator

"EPA should work to harmonize all environmental programs within the federal government and inter-governmentally between federal and state agencies," one participant suggested. One way to do this is to make overlapping regulations seamless.

Role of Stewardship Track Participants

Several groups agreed that Stewardship Track participants must be mentors and recruiters for the program. They should bring in new members by publishing reports, reach out to other businesses in the community by holding local workshops, and spread the word internally through their company's supply chain. EPA should see stewards as a right arm, not as an adversary.

Role of States and Communities

Multiple stakeholders should be involved in the program's design and operation. Communities need to know what resources are being used and how facilities are preventing and reducing pollution and waste. EPA and the states should work as a team to implement the Stewardship Track. EPA could offer incentives to local governments that support the Stewardship Track (a "municipal Stewardship Track").

Role of Other Federal Agencies

Participants in several sessions suggested that the program must eventually represent a coalition of federal agencies so that businesses can market their environmental compliance to additional agencies. "EPA should involve the U.S. Fish and Wildlife Service and U.S. Army Corps of Engineers on fish and river issues," one participant suggested.

Next Steps

EPA was pleased with the enthusiastic participation and the thoughtful contributions by the session attendees. Some ideas, such as email news to program members and regional meetings, are being implemented. All other suggestions will be considered as the National Environmental Performance Track program grows.